

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA
ROXANNE B. JAMES, CPA

JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Whitfield Jones, Mayor
And Members of the Board of Aldermen
Town of St. Joseph, Louisiana

We have audited the general purpose financial statements of the Town of St. Joseph, Louisiana for the year ended June 30, 1996, and have issued our report thereon dated October 9, 1996.

We have conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of St. Joseph, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of St. Joseph, Louisiana for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we

TOWN OF ST. JOSEPH, LOUISIANA
GENERAL FUND

BALANCE SHEET
 YEAR ENDED JUNE 30, 1996

<u>ASSETS</u>	<u>1996</u>	(Memorandum Only) <u>1995</u>
Cash	\$ 86,926	\$ 51,517
Receivables - Garbage fees	2,684	-
Due from Enterprise fund	-	2,673
Total assets	<u>89,610</u>	<u>54,190</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	5,215	4,110
Fund balance-unreserved	84,395	50,080
Total liabilities and fund balance	<u>\$ 89,610</u>	<u>\$ 54,190</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. JOSEPH, LOUISIANA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantors Number</u>	<u>Program Amount</u>	<u>Beginning Balance July 1, 1995</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Balance June 30, 1996</u>
HUD							
LCDBG program	14.219	101-6037	\$ 493,707	\$ -	\$ 43,099	\$ 43,099	\$ -

SECTION II - SUPPLEMENTAL INFORMATION SCHEDULES

TOWN OF ST. JOSEPH, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE F - CASH AND CASH EQUIVALENTS - CONTINUED

Federal deposit insurance	\$ 240,000
Pledged securities	<u>332,658</u>
Total	<u>\$ 572,658</u>

NOTE G - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

The Town does not accrue unpaid vacation pay or sick pay in its financial statements. The Town's policy concerning compensation for unpaid vacation pay is that upon termination of an employee, vacation days not previously used by the employee are not reimbursed. The policy concerning sick pay is that each case is considered on a case by case basis.

NOTE H - OTHER INVESTMENTS - ENTERPRISE FUND

The Town of St. Joseph, Louisiana owns jointly with the Town of Newellton, Louisiana, a gas pipe line, which transports natural gas to the Towns. The jointly owned line is operated independently of the Towns. The carrying value of the investment is recorded at the equity value of the investment. The annual net income is added to the investment and cash withdrawals and net losses are deducted from the investment value.

TOWNS OF ST. JOSEPH AND NEWELLTON, LOUISIANA
 Jointly Owned Gas Pipe Line
 Balance Sheet
 June 30, 1996

ASSETS

Cash	\$ 195,327
Accounts receivable	<u>22,421</u>
Total assets	<u>217,748</u>

LIABILITIES AND TOWNS' EQUITY

Accounts payable	\$ <u>55,284</u>
Towns equity	
Town of Newellton, Louisiana	81,232
Town of St. Joseph, Louisiana	<u>81,232</u>
Total towns' equity	<u>162,464</u>
Total liabilities and towns equity	<u>\$ 217,748</u>

Audited financial statements of this joint venture are available at the Town of St. Joseph, Louisiana's City Hall.

TOWN OF ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE D - AD VALOREM TAXES - CONTINUED

For the year ended June 30, 1996 taxes of 6.36 mills were levied on property with assessed valuations totaling \$3,252,420 and were dedicated to general corporate purposes.

Total taxes levied were \$20,685.

NOTE E - PENSION PLAN

Substantially all employees of the Town of St. Joseph are members of the Municipal Employees Retirement System of Louisiana, a multiple employer, public employee retirement system controlled and administered by a separate board of trustees.

All full time employees are members of the system. Employer contributions were 3.75% of actual payroll during the year ended June 30, 1996 and employees contributions were 5% of payroll. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The pension benefits are not guaranteed by the Town of St. Joseph.

The Town contributed \$5,932 during the year and employees contributed \$7,910.

NOTE F - CASH AND CASH EQUIVALENTS

Under state law, the city may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 1996, the town had cash and cash equivalents according to the bank's balances totaling \$572,658 as follows:

Demand deposits	\$ 465,996
Time deposits	106,662
Total	<u>\$ 572,658</u>

Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 1996 are secured as follows:

TOWN OF ST. JOSEPH, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTES A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CHANGES IN GENERAL FIXED ASSETS ACCOUNT GROUP

A summary of changes in general fixed assets follows:

	Balance July 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
Land	\$ 40,605	\$ -	\$ -	\$ 40,605
Buildings	410,552	-	-	410,552
Other improvements	158,074	-	-	158,074
Equipment	236,693	-	-	236,693
TOTAL	<u>\$ 845,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 845,924</u>

NOTE C - PROPRIETARY FUND PROPERTY, PLANT AND EQUIPMENT

A summary of proprietary fund's plant and equipment at June 30, 1996 follows:

Gas system	\$ 730,463
Water system	1,381,929
Sewer system	1,113,633
Vehicles and equipment	94,031
Office equipment	10,349
Land	7,886
Total	<u>3,338,291</u>
Less: accumulated depreciation	<u>(1,486,846)</u>
Net	<u>\$ 1,851,445</u>

NOTE D - AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1, of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Tensas Parish.

SECTION I - GENERAL PURPOSE FINANCIAL STATEMENTS

GENERAL FUND

To account for resources traditionally associated with governments
which are not required to be accounted for in another fund.

ENTERPRISE FUND

Utility Fund - To account for the provision of water, gas, sewer and sanitation services to residents of the Town and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, maintenance, financing and related debt service, and billings and collections.

TOWN OF ST. JOSEPH, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 1996

	<u>1996</u>	(Memorandum Only) <u>1995</u>
Operating revenues:		
Charges for services:		
Gas sales	\$ 227,121	\$ 206,575
Water sales	108,638	104,682
Sewer sales	19,930	19,846
Delinquent charges	9,038	7,984
Rural development grant	15,000	15,000
Miscellaneous revenues	7,839	11,155
Total operating revenues	<u>387,566</u>	<u>365,242</u>
Operating expenses:		
Gas department expenses	177,498	173,124
Water department expenses	83,436	75,743
Sewer department expenses	4,921	5,825
General and administrative expenses	167,152	154,330
Total operating expenses	<u>433,007</u>	<u>409,022</u>
Operating (loss)	<u>(45,441)</u>	<u>(43,780)</u>
Nonoperating revenues:		
Income from jointly owned gas line	8,929	31,857
Interest earned	19,197	19,246
Total nonoperating revenue	<u>28,126</u>	<u>51,103</u>
Income (loss) before operating transfers	(17,315)	7,323
Operating transfers:		
Transfer to general fund	<u>(27,327)</u>	<u>(60,000)</u>
Net (loss)	(44,642)	(52,677)
Retained earnings, beginning (deficit)	<u>(96,999)</u>	<u>(44,322)</u>
Retained earnings, ending (deficit)	<u><u>\$(141,641)</u></u>	<u><u>\$(96,999)</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTES A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

6. Inventories

Inventories of material and supplies are valued at lower of cost or market.

7. Amounts due from other funds

Amounts reflected as due from other funds represent short-term operating loans and are considered "available spendable resources".

8. Allowance for uncollectable accounts

Allowance for uncollectable accounts receivable at June 30, 1996 is \$2,500.

9. Restricted assets

Certain assets of the Town of St. Joseph, Louisiana have been restricted for customers' deposits and these assets total \$54,272.

10. Total columns on combined statements - overview

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of

TOWN OF ST. JOSEPH, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF OPERATING EXPENSES

FOR THE YEAR ENDED JUNE 30, 1996

	<u>1996</u>	(Memorandum Only) <u>1995</u>
Water department expenses:		
Salaries	\$ 27,667	\$ 26,975
Supplies	34,257	30,844
Repairs	5,294	8,595
Utilities	10,326	8,561
Telephone	573	588
Insurance	5,319	180
Total water department expenses	<u>83,436</u>	<u>75,743</u>
Gas department expenses:		
Salaries and wages	57,375	57,830
Materials and supplies	3,608	3,390
Utilities	4,296	4,332
Insurance	140	429
Repairs	3,941	7,821
Gas purchased	100,023	94,040
Truck gas and oil	3,194	3,544
Bad debts	3,419	-
Employee drug testing	1,502	1,738
Total gas departments	<u>177,498</u>	<u>173,124</u>
Sewer department expenses:		
Materials and supplies	671	804
Utilities	2,524	2,481
Repairs	956	703
Laboratory tests	770	910
Other expenses	-	927
Total sewer department expenses	<u>4,921</u>	<u>5,825</u>
General and administrative expenses:		
Group insurance	16,540	16,896
Retirement	3,582	3,317
Telephone	1,637	1,764
Insurance	16,291	17,634
Rent	3,000	3,000
Computer service	2,378	2,635
Meter readings	6,000	6,000
Advertising	3,011	1,586
Office expense	1,786	2,348
Dues	453	978
Auditing and legal	5,042	5,928
Travel	3,914	3,308
Payroll taxes	8,663	6,764
Depreciation	89,178	78,331
Other expenses	5,677	3,841
Total general and administrative expenses	<u>167,152</u>	<u>154,330</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. JOSEPH, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1996

	1996		Variance- Favorable (Unfavorable)	(Memorandum)
	<u>Budget</u>	<u>Actual</u>		Only 1995 <u>Actual</u>
Revenues:				
Taxes				
Ad valorem	\$ 19,500	\$ 21,555	\$ 2,055	\$ 18,470
Sales	-	28,815	28,815	-
Intergovernmental	9,540	12,593	3,053	7,150
Franchise	<u>21,615</u>	<u>23,351</u>	<u>1,736</u>	<u>20,790</u>
	50,655	86,314	35,659	46,410
Licenses and permits	37,095	42,161	5,066	43,128
Fines	1,680	1,666	(14)	2,277
Garbage fees	33,774	35,099	1,325	31,086
Miscellaneous	<u>27,090</u>	<u>12,803</u>	<u>(14,287)</u>	<u>17,010</u>
Total revenues	<u>150,294</u>	<u>178,043</u>	<u>27,749</u>	<u>139,911</u>
Expenditures:				
General government	64,176	55,114	9,062	64,339
Street and sanitation	63,453	62,845	4,165	66,137
Public safety-				
Police	53,111	48,946	(4,636)	54,043
Fire	<u>3,586</u>	<u>8,222</u>	<u>608</u>	<u>7,575</u>
Total expenditures	<u>184,326</u>	<u>175,127</u>	<u>9,199</u>	<u>192,094</u>
Excess of revenues over (under) expenditures	(34,032)	2,916	36,948	(52,183)
Other financing sources:				
Operating transfers in	<u>34,032</u>	<u>31,399</u>	<u>(2,633)</u>	<u>60,000</u>
Excess of revenues and other sources over expenditures	-	34,315	34,315	7,817
Fund balance, beginning	<u>50,080</u>	<u>50,080</u>	<u>-</u>	<u>42,263</u>
Fund balance, ending	<u>\$ 50,080</u>	<u>\$ 84,395</u>	<u>\$ 34,315</u>	<u>\$ 50,080</u>

The accompanying notes are an integral part of this statement.

2321

RECEIVED
LEGISLATIVE AUDITOR
96 NOV -6 AM 9:23

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

TOWN OF ST. JOSEPH, LOUISIANA

**General Purpose Financial Statements
With Independent Auditors' Report
As of and for the Year Ended June 30, 1996
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date ~~DEC 11 1996~~

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA
ROXANNE B. JAMES, CPA

JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Whitfield Jones, Mayor
and Members of the Board of Aldermen
St. Joseph, Louisiana

We have audited the general purpose financial statements of Town of St. Joseph, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 9, 1996.

We have applied procedures to test Town of St. Joseph, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Town of St. Joseph, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Town of St. Joseph, Louisiana had not complied, in all material respects, with those requirements.

The Honorable Whitfield Jones, Mayor
and Members of the Board of Aldermen
Page Two

This report is intended for the information of the board of aldermen, management, and Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Ferriday, Louisiana
October 9, 1996

Switzer, Hopkins & Mangel

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA
ROXANNE B. JAMES, CPA

JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH OMB CIRCULAR A-128

The Honorable Whitfield Jones, Mayor
and Members of the Board of Aldermen
St. Joseph, Louisiana

We have audited the general purpose financial statements of Town of St. Joseph, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 9, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of Town of St. Joseph, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinion of Town of St. Joseph, Louisiana's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated October 9, 1996.

The management of Town of St. Joseph, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed

The Honorable Whitfield Jones, Mayor
and Members of the Board of Aldermen
Page Two

in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements

Political activity	Federal financial reports
Civil rights	Allowable costs
Cash management	Administrative requirements

For all of the internal control structure categories listed in the preceding paragraph, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, Town of St. Joseph, Louisiana had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor programs:

HUD - LCDBG programs #101-6037

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public

The Honorable Whitfield Jones, Mayor
and Members of the Board of Aldermen
Page Three

Accountants. Reportable condition involves matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect Town of St. Joseph, Louisiana's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the audit committee, management, and Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Ferriday, Louisiana
October 9, 1996

Switzer, Hopkins & Morge

TOWN OF ST. JOSEPH, LOUISIANA
SCHEDULE OF COMPENSATION PAID ALDERMEN
FOR THE YEAR ENDED JUNE 30, 1996

Jack Grace, Jr.	\$ 1,500
Wanda S. Webb	1,500
Jimmy Clark	1,500
Thelma Bradford	1,500
Bill Beardon	1,500
Total	<u>7,500</u>

TOWN OF ST. JOSEPH, LOUISIANA

TABLE OF CONTENTS

	<u>PAGE</u>
SECTION I - GENERAL PURPOSE FINANCIAL STATEMENTS	1
INDEPENDENT AUDITORS' REPORT	2-3
Combined Balance Sheet - All Fund Types and Account Groups	4-5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	6
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	7
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings Proprietary Fund Type	8
Comparative Statement of Cash Flows - Proprietary Fund Type	9
Notes to the Financial Statements	10-17
SECTION II - SUPPLEMENTAL INFORMATION SCHEDULES	18
General Fund	19
Balance Sheet	20
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	21
Statement of Expenditures Compared to Budget (GAAP Basis)	22
Enterprise Fund	23
Comparative Balance Sheet	24
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings Proprietary Fund Type	25
Comparative Statement of Operating Expenses	26
Schedule of Compensation Paid Aldermen	27

SECTION III - INTERNAL CONTROL

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA
ROXANNE B. JAMES, CPA

JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Honorable Whitfield Jones, Mayor
and Members of the Board of Aldermen
St. Joseph, Louisiana

We have audited the general purpose financial statements of Town of St. Joseph, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 9, 1996. These general purpose financial statements are the responsibility of Town of St. Joseph, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of Town of St. Joseph, Louisiana taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Ferriday, Louisiana
October 9, 1996

Switzer, Hopkins & Mange

SECTION V - SINGLE AUDIT REPORTS

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA
ROXANNE B. JAMES, CPA

JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Whitfield Jones, Mayor
And Members of the Board of Aldermen
St. Joseph, Louisiana

We have audited the general purpose financial statements of the Town of St. Joseph, Louisiana, for the year ended June 30, 1996, and have issued our report thereon dated October 9, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of St. Joseph, Louisiana, is the responsibility of the Town of St. Joseph, Louisiana management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Ferriday, Louisiana
October 9, 1996

Switzer, Hopkins & Mange

SECTION IV - COMPLIANCE

The Honorable Whitfield Jones, Mayor
And Members of the Board of Aldermen
Town of St. Joseph, Louisiana
Page Two

obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

A. Segregation of Duties

Due to the relatively small size of the Town, the majority of accounting functions are performed by one individual. Since a segregation of duties, desired for a strong system of internal control, cannot be achieved, we suggest that the Town's Mayor and Board of Aldermen continue to perform an active role in the accounting process.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the use of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ferriday, Louisiana
October 9, 1996

Switzer, Hopkins & Manger

TOWN OF ST. JOSEPH, LOUISIANA
 GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
 YEAR ENDED JUNE 30, 1996

	1996		Variance- Favorable (Unfavorable)	(Memorandum Only) 1995 Actual
	Budget	Actual		
General government				
Aldermen fees	\$ 7,875	\$ 7,500	\$ 375	\$ 7,500
Community house	9,840	3,032	6,808	12,266
Insurance	31,351	31,083	268	35,883
Office expense	758	812	(54)	762
Payroll taxes and retirement	7,322	9,487	(2,165)	6,441
Miscellaneous	7,030	3,200	3,830	1,487
Total general government	<u>64,176</u>	<u>55,114</u>	<u>9,062</u>	<u>64,339</u>
Public safety - police				
Salaries	42,456	39,601	2,855	43,475
Gas, and oil	3,506	3,154	352	2,596
Repairs	1,105	1,068	37	2,365
Miscellaneous	6,044	5,123	921	5,607
Total public safety - police	<u>53,111</u>	<u>48,946</u>	<u>4,165</u>	<u>54,043</u>
Public safety - fire				
Truck expenses	600	3,411	(2,811)	878
Telephone	2,308	2,651	(343)	2,207
Utilities	240	1,251	(1,011)	763
Supplies	438	909	(471)	3,727
Total public safety - fire	<u>3,586</u>	<u>8,222</u>	<u>(4,636)</u>	<u>7,575</u>
Streets and Sanitation				
Salaries	24,432	20,964	3,468	24,575
Supplies	3,525	1,330	2,195	1,338
Truck expense	2,757	55	2,702	1,987
Repairs	5,933	6,022	(89)	18,640
Utilities	20,630	19,342	1,288	18,792
Other	6,176	15,132	(8,956)	805
Total streets and sanitation	<u>63,453</u>	<u>62,845</u>	<u>608</u>	<u>66,137</u>
Total expenditures	<u>\$ 184,326</u>	<u>\$ 175,127</u>	<u>\$ 9,199</u>	<u>\$ 192,094</u>

The accompanying notes are an integral part of this statement.

SECTION III - INTERNAL CONTROL	28
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	39-30
SECTION IV - COMPLIANCE	31
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	32
SECTION V - SINGLE AUDIT REPORTS	33
INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE	34
Schedule of Federal Financial Assistance	35
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS	36-37
INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH OMB CIRCULAR (A-128)	38-40

TOWN OF ST. JOSEPH, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1996

	<u>1996</u>			(Memorandum)
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Only 1995 Actual</u>
Revenues:				
Taxes	\$ 50,655	\$ 86,314	\$ 35,659	\$ 46,410
Licenses and permits	37,095	42,161	5,066	43,128
Fines	1,680	1,666	(14)	2,277
Garbage fees	33,774	35,099	1,325	31,086
Miscellaneous	27,090	12,803	(14,287)	17,010
Total revenues	<u>150,294</u>	<u>178,043</u>	<u>27,749</u>	<u>139,911</u>
Expenditures:				
General government	64,176	55,114	9,062	64,339
Street and sanitation	63,453	62,845	4,165	66,137
Public safety-				
Police	53,111	48,946	(4,636)	54,043
Fire	3,586	8,222	608	7,575
Total expenditures	<u>184,326</u>	<u>175,127</u>	<u>9,199</u>	<u>192,094</u>
Excess of revenues over (under) expenditures	(34,032)	2,916	36,948	(52,183)
Other financing sources:				
Operating transfers in	<u>34,032</u>	<u>31,399</u>	<u>(2,633)</u>	<u>60,000</u>
Excess of revenues and other sources over expenditures	-	34,315	34,315	7,817
Fund balance, beginning	<u>50,080</u>	<u>50,080</u>	<u>-</u>	<u>42,263</u>
Fund balance, ending	<u>\$ 50,080</u>	<u>\$ 84,395</u>	<u>\$ 34,315</u>	<u>\$ 50,080</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of St. Joseph, Louisiana was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The Town provides the following services: utility operations, public safety (police and fire) streets, sanitation and general administrative services.

The accounting and reporting policies of the Town of St. Joseph, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guides and to the industry audit guide, Audits of State And Local Governmental Units.

The following is a summary of certain significant accounting policies.

1. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

2. Fund Accounting

The accounts of the Town of St. Joseph, Louisiana are organized on the basis of funds and account groups each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report into four generic fund types and two broad fund categories as follows:

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA
ROXANNE B. JAMES, CPA

JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITORS' REPORT

Honorable Whitfield Jones, Mayor
and Members of the Board of Aldermen
Town of St. Joseph, Louisiana

We have audited the accompanying general purpose financial statements, of the Town of St. Joseph, Louisiana, as of June 30, 1996 and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of Town of St. Joseph, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; and Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Town of St. Joseph, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Honorable Whitfield Jones, Mayor
and Members of the Board of Aldermen
Page Two

In accordance with Government Auditing Standards, we have also issued reports dated October 9, 1996 on our consideration of the Town of St. Joseph, Louisiana's internal control structure and a report on its compliance with laws and regulations.

Ferriday, Louisiana
October 9, 1996

Switzer, Hopkins & Marge

TOWN OF ST. JOSEPH, LOUISIANA
 COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1996

	Governmental Fund Types			Proprietary Fund Type	Account Group		Totals (Memorandum Only) 1995
	General	Debt Service	Capital Projects		General Fixed Assets	1996	
Cash	\$ 86,926	\$ -	\$ -	\$ 365,195	\$ -	\$ 452,121	\$ 389,335
Certificates of deposit	-	-	-	106,662	-	106,662	102,377
Receivables, (net, of allowance for uncollectables)-							
Utility customers (Note A)	2,684	-	-	20,009	-	22,693	21,581
Due from other funds	-	-	-	-	-	-	2,673
Prepaid expenses	-	-	-	-	-	-	4,389
Restricted assets (Note A):							
Cash	-	-	-	54,272	-	54,272	48,125
General fixed assets	-	-	-	-	845,924	845,924	845,924
Utility plant and equipment (Note C)	-	-	-	3,338,291	-	3,338,291	3,332,078
Accumulated Depreciation (Note C)	-	-	-	(1,486,846)	-	(1,486,846)	(1,397,668)
Investment in jointly owned gas line (Note H)	-	-	-	81,232	-	81,232	79,803
Total assets	\$ 89,610	\$ -	\$ -	\$ 2,478,815	\$ 845,924	\$ 3,414,349	\$ 3,428,617

The accompanying notes are an integral part of this statement.

TOWN OF ST. JOSEPH, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1996

	Governmental Fund Types			Totals	
	General	Debt Service	Capital Projects	(Memorandum 1996	Only) 1995
Revenues:					
Taxes	\$ 86,314	\$ -	\$ -	\$ 86,314	\$ 46,410
Licenses and permits	42,161	-	-	42,161	43,128
Intergovernmental	-	-	43,099	43,099	263,315
Fines	1,666	-	-	1,666	2,277
Garbage fees	35,099	-	-	35,099	31,086
Miscellaneous	12,803	26	-	12,829	17,147
Total revenues	178,043	26	43,099	221,168	403,363
Expenditures:					
Current-					
General government	55,114	-	-	55,114	64,339
Streets and sanitation	62,845	-	-	62,845	66,137
Public safety-					
Police	48,946	-	-	48,946	54,043
Fire	8,222	-	-	8,222	7,575
Capital outlay	-	-	43,099	43,099	263,315
Total expenditures	175,127	-	43,099	218,226	455,409
Excess of revenues (under) expenditures	2,916	26	-	2,942	(52,046)
Other financing sources:					
Operating transfers in (out)	31,399	(4,072)	-	27,327	60,000
Excess of revenues and other sources over expenditures and other uses	34,315	(4,046)	-	30,269	7,954
Fund balances, beginning	50,080	4,046	-	54,126	356,528
Transfer to enterprise fund	-	-	-	-	(310,356)
Fund balances, ending	\$ 84,395	\$ -	\$ -	\$ 84,395	\$ 54,126

The accompanying notes are an integral part of this statement.

TOWN OF ST. JOSEPH, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 1996

	<u>1996</u>	(Memorandum Only) <u>1995</u>
Operating revenues:		
Charges for services:		
Gas sales	\$ 227,121	\$ 206,575
Water sales	108,638	104,682
Sewer sales	19,930	19,846
Delinquent charges	9,038	7,984
Rural development grant	15,000	15,000
Miscellaneous revenues	7,839	11,155
Total operating revenues	<u>387,566</u>	<u>365,242</u>
Operating expenses:		
Gas department expenses	177,498	173,124
Water department expenses	83,436	75,743
Sewer department expenses	4,921	5,825
General and administrative expenses	167,152	154,330
Total operating expenses	<u>433,007</u>	<u>409,022</u>
Operating (loss)	<u>(45,441)</u>	<u>(43,780)</u>
Nonoperating revenues:		
Income from jointly owned gas line	8,929	31,857
Interest earned	19,197	19,246
Total nonoperating revenue	<u>28,126</u>	<u>51,103</u>
Income (loss) before operating transfers	(17,315)	7,323
Operating transfers:		
Transfer to general fund	<u>(27,327)</u>	<u>(60,000)</u>
Net (loss)	(44,642)	(52,677)
Retained earnings, beginning (deficit)	<u>(96,999)</u>	<u>(44,322)</u>
Retained earnings, ending (deficit)	<u>\$ (141,641)</u>	<u>\$ (96,999)</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. JOSEPH, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 1996

	<u>1996</u>	(Memorandum Only) <u>1995</u>
Cash flows from operating activities:		
Cash received from customers	\$ 374,138	\$ 344,807
Cash paid to suppliers for goods and services	(249,025)	(253,773)
Cash payments to employees for services	(85,042)	(84,805)
Operating grants received	<u>15,000</u>	<u>15,000</u>
Net cash provided by operating activities	<u>55,071</u>	<u>21,229</u>
Cash flows from non-capital financing activities:		
Operating transfers to general fund	(27,327)	(60,000)
Increase (decrease) in customer deposits	<u>(6,373)</u>	<u>5,110</u>
Net cash (used) by non-capital financing activities	<u>(33,700)</u>	<u>(54,890)</u>
Cash flows from capital related financing activities		
Acquisition of capital assets	<u>(6,213)</u>	<u>(36,999)</u>
Cash flows from investing activities		
Interest received	19,197	19,246
Income received from joint gas line	<u>7,500</u>	<u>15,000</u>
Net cash provided by investing activities	<u>26,697</u>	<u>34,246</u>
Net increase (decrease) in cash	41,855	(36,414)
Cash at beginning of year	<u>484,274</u>	<u>520,688</u>
Cash at end of year	<u>\$ 526,129</u>	<u>\$ 484,274</u>
Reconciliation of (operating loss) to cash provided by operating activities:		
Operating (loss)	(45,441)	(43,780)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	89,178	78,331
(Increase) decrease in:		
Accounts receivable	1,572	(5,435)
Prepaid expenses	4,389	4,400
Increase (decrease) in:		
Accounts payable	8,046	(8,980)
Due to general fund	<u>(2,673)</u>	<u>(3,307)</u>
Net cash provided by operating activities	<u>\$ 55,071</u>	<u>\$ 21,229</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

GOVERNMENTAL FUND TYPES

General fund

The General fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital projects fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Debt service funds

Debt service funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

PROPRIETARY FUND TYPE

Enterprise fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

3. Property, Plant and Equipment and Long-Term Liabilities

The accounting and reporting treatment applied to the property, plant and equipment and long-term liabilities associated with a fund are determined by its measurement focus.

TOWN OF ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Town has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks and drainage improvements. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used in the proprietary fund is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method as follows:

Gas lines	40 years
Water lines and plant	30 to 40 years
Sewer lines	40 years
Vehicles and equipment	3 to 10 years

All fixed assets are stated at historical cost.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

TOWN OF ST. JOSEPH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTES A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned and their expenses are recognized when incurred. Bad debts are recognized when they become uncollectable.

5. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Town prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year. The Town approves a budget for the general fund only.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

TOWN OF ST. JOSEPH, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND

COMPARATIVE BALANCE SHEET
 JUNE 30, 1996

	1996	(Memorandum Only) 1995		1996	(Memorandum Only) 1995
<u>ASSETS</u>					
Current assets:			LIABILITIES AND FUND EQUITY		
Cash	\$ 365,195	\$ 333,772	Liabilities:		
Certificates of deposit	106,662	102,377	Current liabilities		
Accounts receivable:			Due to general fund	-	\$ 2,673
Customers-net of allowance for uncollectables	20,009	21,581	Accounts payable	20,059	12,013
Others			Total current liabilities (payable from current assets)	20,059	14,686
Prepaid expenses	-	4,389	Current liabilities (payable from restricted assets)		
Total current assets	491,866	462,119	Customer deposits	34,412	40,785
Restricted assets:			Total liabilities	54,471	55,471
Consumer deposits-cash	54,272	48,125	Fund equity:		
Plant & equipment, at cost, net of accumulated depreciation (1996 \$1,486,846; 1995 \$1,397,668)	1,851,445	1,934,410	Contributed capital	2,565,985	2,565,985
Other assets:			Retained earnings -		
Investment in gas pipe line jointly with Town of Newellton, Louisiana recorded at equity value	81,232	79,803	Unreserved (deficit)	(141,641)	(96,999)
Total assets	\$ 2,478,815	\$ 2,524,457	Total fund equity	2,424,344	2,468,986
			Total liabilities and fund equity	\$ 2,478,815	\$ 2,524,457

The accompanying notes are an integral part of this statement.

TOWN OF ST. JOSEPH, LOUISIANA
COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1996

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types				Fund Type Enterprise	General Fixed Assets	Totals (Memorandum Only)	
	General	Debt Service	Capital Projects	\$			1996	1995
Liabilities:								
Accounts payable	\$ 5,215	\$ -	\$ -	\$ 20,059	\$ -		\$ 25,274	\$ 16,123
Due to other funds	-	-	-	-	-		-	2,673
Payable from restricted assets:								
Customers' deposits	-	-	-	34,412	-		34,412	40,785
Total liabilities	5,215	-	-	54,471	-		59,686	59,581
Fund Equity:								
Contributed capital	-	-	-	2,565,985	-		2,565,985	2,565,985
Investment in general fixed assets	-	-	-	-	845,924		845,924	845,924
Retained earnings -	-	-	-	-	-		-	-
Unreserved (deficit)	-	-	-	(141,641)	-		(141,641)	(96,999)
Fund balances -								
Unreserved -	84,395	-	-	-	-		84,395	54,126
Undesignated	-	-	-	-	-		-	-
Total fund equity	84,395	-	-	2,424,344	845,924		3,354,663	3,369,036
Total liabilities and and fund equity	\$ 89,610	\$ -	\$ -	\$ 2,478,815	\$ 845,924		\$ 3,414,349	\$ 3,428,617

The accompanying notes are an integral part of this statement.